

## AGENDA



Thursday, March 10, 2011

**Public Hearings and Possible Actions  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 40**

---

**Subject:** Conduct a Public Hearing regarding ONCOR's proposal to increase customer electric rates.

**For More Information:** Rondella M. Hawkins, Manager, Office of Telecommunications & Regulatory Affairs; (512) 974-2422

**Prior Council Action:** February 10, 2011, Council suspended the ONCOR's proposed effective date of rate increase and set a public hearing.

---

On January 7, 2011, Oncor Electric Delivery Company, LLC ("Oncor"), filed a Statement of Intent with the Texas cities in which it has customers, including Austin, and with the Public Utility Commission of Texas (PUCT) requesting an increase in its revenue requirements by \$353 million. This proposal represents an estimated 12.6 percent increase in state-wide residential delivery rates. The increase would mean about \$5.00 more per month for an average residential customer. Oncor has approximately 609 residential customers in the City of Austin who are generally located north of Howard Lane, south of Wells Branch Parkway, west of I-35 and east of Loop 1.

On February 10, 2011, the City Council adopted an ordinance suspending the effective date of the proposed increase to not later than May 15, 2011, to allow the City enough time to evaluate the proposed rate increase and determine whether the rates were appropriate, fair, just and reasonable to ratepayers.

The City is working with other Central Texas cities that have Oncor customers to review the proposed rate increase. The coalition has hired regulatory counsel and rate experts to perform the review and have been consolidated with the rate docket of the unincorporated areas served by Oncor pending before the Public Utility Commission of Texas (PUCT). The PUCT has up to 150 days to suspend the rate change while the case is pending.

Until Oncor offers an acceptable settlement to the coalition or the PUCT renders a decision, staff recommends that the City Council postpone the public hearing to a date yet to be determined.